



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

January 21, 1999

Robert L. Steele
1075 North 400 East
Nephi, Utah 84648

Re: Time Extension Request and Replacement Reclamation Surety, Robert Steele & Anthony Peck (operators), Nephi Gypsum Quarry, M/023/011, Juab County, Utah

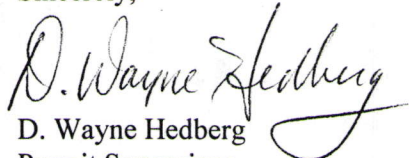
Dear Mr. Steele:

Thank you for your recent letter received January 11, 1999 in response to our request for a time schedule for submission of a revised mining and reclamation plan for the Nephi Gypsum Quarry. We also are in receipt of an amended \$36,000 Letter of Credit (LOC) from First Security Bank of Utah for the mine site. This amended LOC reclamation surety will serve as an interim bonding instrument until the revised mining and reclamation plan is approved and the surety amount can be adjusted accordingly.

As you will recall, our December 4, 1998 letter transmitted to you requested information regarding the applicability of the Utah Mined Land Reclamation Act and the Minerals Rules to adjacent private lands that are presently being used to support the mining operation. I also enclosed a copy of a draft Notice of Non-compliance that we have not finalized. We have been seeking a less drastic means of resolving our outstanding permitting concerns with this site.

Your letter indicates that you are updating the mining and reclamation plan for the Nephi Gypsum Quarry and that you hope to complete this activity by February 15, 1999. We accept your time extension request and look forward to the receipt of the updated plan by that date. We also look forward to the receipt of the updated permit transfer and reclamation contract forms which were sent to you under separate cover letter dated December 3, 1998. If you have questions or need additional information, please contact me or Tom Munson at (801) 538-5286 and 538-5321 respectively.

Sincerely,


D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb
cc: Tom Munson, DOGM
Mary Ann Wright, DOGM
m023011.req